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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

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FILE

Honorable Alan Cranston  
United States Senate  
112 Hart Senate Office Building  
Washington, D.C. 20510-0501

Dear Senator Cranston:

Thank you for your letter on behalf of Ms. Kryz T. Bart, Assistant Director of Transportation for the City of Fresno, California, regarding the Commission's billed party preference proposal. Billed party preference is the term used to describe a proposal to change the way local telephone companies handle certain operator service calls.

Currently, if a caller places a "0+" operator services call (that is, the caller dials "0" and then a long-distance telephone number, without first dialing a carrier access code, such as 10-ATT), the call is carried by the operator services provider presubscribed to the telephone line from which the call originated. The presubscribed carrier for public payphones is chosen by the payphone owner or the owner of the premises on which the payphone is located. Operator service providers compete for payphone presubscription contracts by offering significant commissions to premises owners on long-distance traffic and then including those commission costs in their own rates to consumers.

In April 1992, the Commission adopted a Notice of Proposed Rulemaking to consider whether the current presubscription system should be replaced by a billed party preference methodology. Under billed party preference, all 0+ calls would be handled automatically by the carrier predesignated by the party paying for the call. For example, a credit card call would be handled by the carrier that issued the card. A collect call would be handled by the carrier presubscribed to the called line.

Because billed party preference would replace the current presubscription system for operator services calls, operator service providers would no longer be likely to pay significant commissions to premises owners for presubscription contracts. In addition, billed party preference could make operator services much more user friendly for the calling public. In particular, it would allow callers to place their operator services calls without dialing access codes, while ensuring that the party paying for each call -- as opposed to the payphone or premises owner -- would determine the operator service provider to carry it.

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Honorable Alan Cranston

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Because of these and other benefits that potentially could be offered by billed party preference, the Commission tentatively concluded in its Notice of Proposed Rulemaking that billed party preference is, in concept, in the public interest. At the same time, the Commission sought detailed information and comment on a comprehensive range of issues relating to this proposal.

The Commission has thus far received extensive comment on the billed party preference proposal. Let me assure you that the Commission will carefully consider all of the ramifications of this important proposal before taking final action on it. We will incorporate your letter and enclosure in the record of this proceeding so that it may be accorded proper consideration by Commission staff. The enclosure to your letter is returned as requested.

Sincerely,

  
Cheryl A. Tritt  
Chief, Common Carrier Bureau

ALAN CRANSTON  
CALIFORNIA

# United States Senate

WASHINGTON, DC 20510

September 14, 1992

To: Legislative Affairs  
Federal Communications Commission  
1919 M Street, N.W.  
Washington, D.C. 20554

Inquiry from: Ms. Kryz T. Bart  
Assistant Director of Transportation  
City of Fresno  
2401 N. Ashley Way  
Fresno, California 93727

Re: Please address the concerns raised by Ms. Bart  
regarding Docket Number 92-77.

I forward the attached for your review and consideration.

Your report, in duplicate, along with the return of the  
enclosure, will be appreciated. The response should be directed  
to the attention of Susan Daly in my Washington office.

Thank you for your attention to this matter.

Sincerely,

  
Alan Cranston

Enclosure

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Airports Administration

**Terry O. Cooper**  
Director of Transportation

2401 N. Ashley Way • (209) 498-4700  
Fresno, California 93727-1504  
FAX # (209) 251-4825

July 6, 1992

Ms. Donna R. Searcy  
Secretary  
Federal Communications Commission  
1919 M Street, N.W.  
Room 222  
Washington, D.C. 20554

RE: Docket No. 92-77

Dear Ms. Searcy:

The purpose of this letter is to comment on the Notice of Proposed Rulemaking (NPRM) Docket Number 92-77 known as Billed Party Preference (BPP). After reviewing the NPRM, the City of Fresno Department of Airports offers the following comments for your consideration. We are opposed to the rulemaking based on the following reasons:

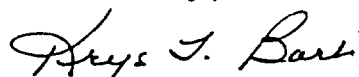
- \* Initial and ongoing costs of BPP will be millions of dollars. These costs will be passed on to the end user. We believe airport travelers will be faced with more expensive telecommunication services.
- \* Certain services such as commercial credit card calling and foreign card usage or international collect calling will be problematic.
- \* Airport passengers may experience a deterioration in public payphone service quality as call set-up will take longer. This and the added confusion will greatly impact an airport's service to the traveling public.
- \* Loss of commission revenues could eliminate many programs and partnerships between airports and long distance companies which are beneficial to the public.

- \* The FCC Unblocking ruling mandating the unblocking of 10XXX codes and the availability of 1+800 and 950 access numbers eliminates the need for BPP. Unblocking accomplishes the same objective without adding confusion for airport travelers.

We believe that the FCC should not interfere with competition by imposing a system such as Billed Party Preference. BPP is a technical solution being forced on a competitive marketplace where no problem exists. The Commission should give unblocking a chance to work before making changes that impact the marketplace. Consumers are aware, through signage and call branding, of the operator services they encounter and, with unblocking, they have the ability to reach their carrier of choice without BPP.

If you have any questions regarding these comments, please don't hesitate to ask.

Sincerely,



Krys T. Bart  
Assistant Director

cc: Sen. Alan Cranston  
Sen. John Seymour  
Rep. Richard Lehman